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STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Fasken Oil and Ranch, Ltd. accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

LEASE NO.: USA NM-21029

LEGAL DESCRIPTION: Lots 9,10,15,16 and SE/4 Sec.4, T21S, R24E, Eddy County, NM.

FORMATION(S): All depths.

BOND COVERAGE: \$25,000

BLM BOND FILE: NM0152

Fasken Oil and Ranch, Ltd. by: Fasken Management, LLC Its General Partner

Benjamin L. Blake Vice-President

Date: 8/1/01

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